

(b) Suits for violation of contracts between the Postal Service and a labor organization representing Postal Service employees, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy.

(c) A labor organization and the Postal Service shall be bound by the authorized acts of their agents. Any labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

(d) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States, district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal offices, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for employee members.

(e) The service of summons, subpoena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 736.)

#### § 1209. Applicability of Federal labor laws

(a) Employee-management relations shall, to the extent not inconsistent with provisions of this title, be subject to the provisions of subchapter II of chapter 7 of title 29.

(b) The provisions of chapter 11 of title 29 shall be applicable to labor organizations that have or are seeking to attain recognition under section 1203 of this title, and to such organizations, officers, agents, shop stewards, other representatives, and members to the extent to which such provisions would be applicable if the Postal Service were an employer under section 402 of title 29. In addition to the authority conferred on him under section 438 of title 29, the Secretary of Labor shall have authority, by regulation issued with the written concurrence of the Postal Service, to prescribe simplified reports for any such labor organization. The Secretary of Labor may revoke such provision for simplified forms of any such labor organization if he determines, after such investigation as he deems proper and after due notice and opportunity for a hearing, that the purposes of this chapter and of chapter 11 of title 29 would be served thereby.

(c) Each employee of the Postal Service shall have the right, freely and without fear of penalty or reprisal, to form, join, and assist a labor organization or to refrain from any such activity, and each employee shall be protected in the exercise of this right.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 737.)

### PART III—MODERNIZATION AND FISCAL ADMINISTRATION

Chap.		Sec.
20.	Finance .....	2001
22.	Convict Labor .....	2201
24.	Appropriations and Annual Report .....	2401
26.	Debts and Collection .....	2601
28.	Strategic Planning and Performance Management .....	2801

#### AMENDMENTS

2006—Pub. L. 109-435, title X, § 1010(g)(2), Dec. 20, 2006, 120 Stat. 3262, substituted “Strategic Planning and Performance Management” for “Strategic planning and performance management” in item for chapter 28.

1993—Pub. L. 103-62, § 11(c), Aug. 3, 1993, 107 Stat. 296, added item for chapter 28.

#### CHAPTER 20—FINANCE

Sec.	
2001.	Definitions.
2002.	Capital of the Postal Service.
2003.	The Postal Service Fund.
[2004.]	Repealed.]
2005.	Obligations.
2006.	Relationship between the Treasury and the Postal Service.
2007.	Public debt character of the obligations of the Postal Service.
2008.	Audit and expenditures.
2009.	Annual budget.
2009a.	Budgetary treatment of the Postal Service Fund.
2010.	Restrictions on agreements.
2011.	Provisions relating to competitive products.

#### AMENDMENTS

2006—Pub. L. 109-435, title IV, § 401(a)(2), Dec. 20, 2006, 120 Stat. 3225, added item 2011.

1997—Pub. L. 105-33, title VII, § 7003(a)(2)(A), Aug. 5, 1997, 111 Stat. 663, struck out item 2004 “Transitional appropriations”.

1989—Pub. L. 101-239, title IV, § 4001(a)(2), Dec. 19, 1989, 103 Stat. 2133, added item 2009a.

#### DISPOSITION OF SAVINGS ACCRUING TO THE UNITED STATES POSTAL SERVICE

Pub. L. 108-18, § 3, Apr. 23, 2003, 117 Stat. 627, which provided for disposition of savings accruing to the United States Postal Service, was repealed by Pub. L. 109-435, title VIII, § 804(a), Dec. 20, 2006, 120 Stat. 3253.

#### § 2001. Definitions

As used in this chapter—

(1) “Fund” means the Postal Service Fund established by section 2003 of this chapter;

(2) COMPETITIVE PRODUCTS FUND.—The term “Competitive Products Fund” means the Postal Service Competitive Products Fund established by section 2011; and

(3) “obligations”, when referring to debt instruments issued by the Postal Service, means notes, bonds, debentures, mortgages, and any other evidence of indebtedness.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 738; Pub. L. 109-435, title IV, § 401(b)(1), Dec. 20, 2006, 120 Stat. 3225.)

#### AMENDMENTS

2006—Pars. (2), (3). Pub. L. 109-435 added par. (2) and redesignated former par. (2) as (3).

#### EFFECTIVE DATE

Chapter effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of

Pub. L. 91-375, set out as a note preceding section 101 of this title.

### § 2002. Capital of the Postal Service

(a) The initial capital of the Postal Service shall consist of the equity, as reflected in the budget of the President, of the Government of the United States in the former Post Office Department. The value of assets and the amount of liabilities transferred to the Postal Service upon the commencement of operations of the Postal Service shall be determined by the Postal Service subject to the approval of the Comptroller General, in accordance with the following guidelines:

(1) Assets shall be valued on the basis of original cost less depreciation, to the extent that such value can be determined. The value recorded on the former Post Office Department's books of account shall be prima facie evidence of asset value.

(2) All liabilities attributable to operations of the former Post Office Department shall remain liabilities of the Government of the United States, except that upon commencement of operations of the Postal Service, the unexpended balances of appropriations made to, held or used by, or available to the former Post Office Department and all liabilities chargeable thereto shall become assets and liabilities, respectively, of the Postal Service.

(b) The capital of the Postal Service at any time shall consist of its assets, including the balance in the Fund and the balance in the Competitive Products Fund, less its liabilities.

(c) The Postal Service, and the Administrator of General Services where properties under the jurisdiction of the Administrator are involved, with the approval of the Director of the Office of Management and Budget, shall determine which Federal properties shall be transferred to the Postal Service and which shall remain under the jurisdiction of any other department, agency, or establishment of the Government of the United States upon the commencement of operations of the Postal Service. The transfer shall be accomplished at the time of or as near as possible to the commencement of operations of the Postal Service and the valuation of the assets and capital of the Postal Service shall be adjusted accordingly. The following properties shall be included in the transfer:

(1) the mail equipment shops located in Washington, District of Columbia;

(2) all machinery, equipment, and appurtenances of the former Post Office Department;

(3) all real property whose ownership was acquired by the Postmaster General under former section 2103 of this title, as in effect immediately prior to the effective date of this section, or which immediately prior to such effective date, is under the administration of the former Post Office Department for the purpose of constructing a postal building from funds appropriated or transferred to the former Post Office Department, together with all funds appropriated or allocated therefor;

(4) all real property 55 percent or more of which is occupied by or under control of the

former Post Office Department immediately prior to the effective date of this section;

(5) all contracts, records, and documents relating to the operation of the departmental service and the postal field service of the former Post Office Department; and

(6) all other property and assets of the former Post Office Department.

(d) After the commencement of operations of the Postal Service, the President is authorized to transfer to the Postal Service, and the Postal Service is authorized to transfer to other departments, agencies, or independent establishments of the Government of the United States, with or without reimbursement, any property of that department, agency, or independent establishment and the Postal Service, respectively, when the public interest would be served by such transfer.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 738; Pub. L. 109-435, title IV, § 401(b)(2), Dec. 20, 2006, 120 Stat. 3225.)

#### REFERENCES IN TEXT

The effective date of this section, referred to in subsec. (c)(3), (4), is July 1, 1971. See Effective Date note set out under section 2001 of this title.

#### AMENDMENTS

2006—Subsec. (b). Pub. L. 109-435 substituted “Fund and the balance in the Competitive Products Fund,” for “Fund,”.

#### ASSETS OF POSTAL SERVICE

Pub. L. 91-375, § 4(b), Aug. 12, 1970, 84 Stat. 774, provided that: “Postal revenues and fees collected on and after the effective date of this section [see note below] shall be considered assets of the Postal Service.”

Provisions of section 4(b) of Pub. L. 91-375 effective within 1 year after Aug. 12, 1970, on date established therefor by the Board of Governors of the United States Postal Service and published by it in the Federal Register, see section 15(a) of Pub. L. 91-375, set out as an Effective Date note preceding section 101 of this title.

#### EX. ORD. NO. 11672. TRANSFER OR FURNISHING OF PROPERTY

Ex. Ord. No. 11672, June 6, 1972, 37 F.R. 11455, provided: By virtue of the authority vested in me by the Postal Reorganization Act (39 U.S.C. 2002(d)) and section 301 of title 3 of the United States Code, and as President of the United States it is hereby ordered as follows:

SECTION 1. The authority conferred upon the President by section 2002(d) of title 39 of the United States Code is hereby delegated to the Administrator of General Services subject to the provisions of this order.

SEC. 2. Property transferred to the Postal Service under this order shall be subject to reimbursement at fair market value, as agreed to by the Administrator of General Services and the Postmaster General, unless the Director of the Office of Management and Budget finds that a different basis of valuation, or transfer without reimbursement, is more equitable or better serves the public interest.

SEC. 3. Reimbursement of fair market value required for property transfers to the Postal Service under this order may consist of cash payments or, subject to approval by the Director of the Office of Management and Budget, property transferred from the Postal Service to other departments, agencies, or independent establishments of the Government of the United States, or both cash and approved properties.

SEC. 4. Heads of agencies furnishing property to the Postal Service under section 411 of title 39 of the United States Code shall require reimbursement at fair

market value of such property or at a rate based on appropriate commercial charges for comparable property, as agreed to by the agency head and the Postmaster General, unless the Director of the Office of Management and Budget finds that a different basis of valuation is more equitable or better serves the public interest.

SEC. 5. Delegations of authority made in this order may be redelegated.

RICHARD NIXON.

### § 2003. The Postal Service Fund

(a) There is established in the Treasury of the United States a revolving fund to be called the Postal Service Fund which shall be available to the Postal Service without fiscal-year limitation to carry out the purposes, functions, and powers authorized by this title (other than any of the purposes, functions, or powers for which the Competitive Products Fund is available).

(b) Except as otherwise provided in section 2011, there shall be deposited in the Fund, subject to withdrawal by check by the Postal Service—

(1) revenues from postal and nonpostal services rendered by the Postal Service;

(2) amounts received from obligations issued by the Postal Service;

(3) amounts appropriated for the use of the Postal Service;

(4) interest which may be earned on investments of the Fund;

(5) any other receipts of the Postal Service;

(6) the balance in the Post Office Department Fund established under former section 2202 of title 39 as of the commencement of operations of the Postal Service;

(7) amounts (including proceeds from the sale of forfeited items) from any civil forfeiture conducted by the Postal Service;

(8) any transfers from the Secretary of the Treasury from the Department of the Treasury Forfeiture Fund which shall be available to the Postmaster General only for Federal law enforcement related purposes; and

(9) any amounts collected under section 3018.

(c) If the Postal Service determines that the moneys of the Fund are in excess of current needs, it may request the investment of such amounts as it deems advisable by the Secretary of the Treasury in obligations of, or obligations guaranteed by, the Government of the United States, and, with the approval of the Secretary, in such other obligations or securities as it deems appropriate.

(d) With the approval of the Secretary of the Treasury, the Postal Service may deposit moneys of the Fund in any Federal Reserve bank, any depository for public funds, or in such other places and in such manner as the Postal Service and the Secretary may mutually agree.

(e)(1) The Fund shall be available for the payment of (A) all expenses incurred by the Postal Service in carrying out its functions as provided by law, subject to the same limitation as set forth in the parenthetical matter under subsection (a); (B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated under section 504(d); and (C) all expenses of the Office of Inspector General, subject to the availability of amounts

appropriated under section 8G(f) of the Inspector General Act of 1978. The Postmaster General shall transfer from the Fund to the Secretary of the Treasury for deposit in the Department of the Treasury Forfeiture Fund amounts appropriate to reflect the degree of participation of Department of the Treasury law enforcement organizations (described in section 9703(p)<sup>1</sup> of title 31) in the law enforcement effort resulting in the forfeiture pursuant to laws enforced or administered by the Postal Service. Neither the Fund nor any of the funds credited to it shall be subject to apportionment under the provisions of subchapter II of chapter 15 of title 31.

(2) Funds appropriated to the Postal Service under section 2401 of this title shall be apportioned as provided in this paragraph. From the total amounts appropriated to the Postal Service for any fiscal year under the authorizations contained in section 2401 of this title, the Secretary of the Treasury shall make available to the Postal Service 25 percent of such amount at the beginning of each quarter of such fiscal year.

(f) Notwithstanding any other provision of this section, any amounts appropriated to the Postal Service under subsection (d) of section 2401 of this title and deposited into the Fund shall be expended by the Postal Service only for the purposes provided in such subsection.

(g) Notwithstanding any provision of section 8147 of title 5, whenever the Secretary of Labor furnishes a statement to the Postal Service indicating an amount due from the Postal Service under subsection (b) of that section, the Postal Service shall make the deposit required pursuant to that statement (and any additional payment under subsection (c) of that section, to the extent that it relates to the period covered by such statement) not later than 30 days after the date on which such statement is so furnished. Any deposit (and any additional payment) which is subject to the preceding sentence shall, once made, remain available without fiscal year limitation.

(h) Liabilities of the former Post Office Department to the Employees' Compensation Fund (appropriations for which were authorized by former section 2004, as in effect before the effective date of this subsection) shall be liabilities of the Postal Service payable out of the Fund.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 739; Pub. L. 94-421, § 2(c), Sept. 24, 1976, 90 Stat. 1304; Pub. L. 97-35, title XVII, § 1725, Aug. 13, 1981, 95 Stat. 760; Pub. L. 97-258, § 3(l)(1), Sept. 13, 1982, 96 Stat. 1066; Pub. L. 99-500, § 101(m) [title II, § 201(b)], Oct. 18, 1986, 100 Stat. 1783-308, 1783-314, and Pub. L. 99-591, § 101(m) [title II, § 201(b)], Oct. 30, 1986, 100 Stat. 3341-308, 3341-314; Pub. L. 100-690, title VI, § 6252, Nov. 18, 1988, 102 Stat. 4362; Pub. L. 101-239, title IV, § 4004(a), Dec. 19, 1989, 103 Stat. 2135; Pub. L. 102-393, title VI, § 638(g), Oct. 6, 1992, 106 Stat. 1790; Pub. L. 105-33, title VII, § 7003(a)(2)(B), (b), Aug. 5, 1997, 111 Stat. 663; Pub. L. 109-435, title IV, § 401(b)(3), title VI, § 603(c)(2), title X, § 1008(c)(1), Dec. 20, 2006, 120 Stat. 3225, 3241, 3260.)

<sup>1</sup> See References in Text note below.

## REFERENCES IN TEXT

Former section 2202 of title 39, referred to in subsec. (a)(6), means section 2202 of former Title 39, The Postal Service, prior to the general revision and reenactment of Title 39 by Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 719.

The Inspector General Act of 1978, referred to in subsec. (e)(1), is Pub. L. 95-452, Oct. 12, 1978, 92 Stat. 1101, which is set out in the Appendix to Title 5, Government Organization and Employees.

Section 9703(p) of title 31, referred to in subsec. (e)(1), probably means the section 9703 of title 31 added by section 638(b)(1) of Pub. L. 102-393, title VI, Oct. 6, 1992, 106 Stat. 1779.

Section 2004, as in effect before the effective date of this subsection, referred to in subsec. (h), means section 2004 of this title, as in effect before Oct. 1, 1997. Section 2004 was repealed by Pub. L. 105-33, title VII, §7003(a)(1), Aug. 5, 1997, 111 Stat. 663.

## CODIFICATION

Pub. L. 99-591 is a corrected version of Pub. L. 99-500.

## AMENDMENTS

2006—Subsec. (a). Pub. L. 109-435, §401(b)(3)(A), substituted “title (other than any of the purposes, functions, or powers for which the Competitive Products Fund is available)” for “title”.

Subsec. (b). Pub. L. 109-435, §401(b)(3)(B), substituted “Except as otherwise provided in section 2011, there” for “There”.

Subsec. (b)(9). Pub. L. 109-435, §1008(c)(1), added par. (9).

Subsec. (e)(1). Pub. L. 109-435, §603(c)(2), substituted “The Fund shall be available for the payment of (A) all expenses incurred by the Postal Service in carrying out its functions as provided by law, subject to the same limitation as set forth in the parenthetical matter under subsection (a); (B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated under section 504(d); and (C) all expenses of the Office of Inspector General, subject to the availability of amounts appropriated under section 8G(f) of the Inspector General Act of 1978.” for “The Fund shall be available for the payment of all expenses incurred by the Postal Service in carrying out its functions as provided by law and, subject to the provisions of section 3604 of this title, all of the expenses of the Postal Rate Commission.”

1997—Subsec. (e)(2). Pub. L. 105-33, §7003(a)(2)(B), substituted “section 2401” for “sections 2401 and 2004” in two places.

Subsec. (h). Pub. L. 105-33, §7003(b), added subsec. (h).

1992—Subsec. (b)(8). Pub. L. 102-393, §638(g)(1), added par. (8).

Subsec. (e)(1). Pub. L. 102-393, §638(g)(2), inserted after first sentence “The Postmaster General shall transfer from the Fund to the Secretary of the Treasury for deposit in the Department of the Treasury Forfeiture Fund amounts appropriate to reflect the degree of participation of Department of the Treasury law enforcement organizations (described in section 9703(p) of title 31) in the law enforcement effort resulting in the forfeiture pursuant to laws enforced or administered by the Postal Service.”

1989—Subsec. (g). Pub. L. 101-239 added subsec. (g).

1988—Subsec. (b)(7). Pub. L. 100-690 struck out “administrative” after “civil” and “under title 18” after “Service”.

1986—Subsec. (b)(7). Pub. L. 99-500 and Pub. L. 99-591, §101(m) [title II, §201(b)(1)-(3)], added par. (7).

Subsec. (e)(1). Pub. L. 99-500 and Pub. L. 99-591, §101(m) [title II, §201(b)(4)], substituted “as provided by law” for “under this title”.

1982—Subsec. (e)(1). Pub. L. 97-258 substituted “subchapter II of chapter 15 of title 31” for “section 665 of title 31”.

1981—Subsec. (e). Pub. L. 97-35 redesignated existing provisions as par. (1) and added par. (2).

1976—Subsec. (f). Pub. L. 94-421 added subsec. (f).

## EFFECTIVE DATE OF 2006 AMENDMENT; SAVINGS PROVISIONS

Amendment by section 603(c)(2) of Pub. L. 109-435 applicable with respect to fiscal years beginning on or after Oct. 1, 2008, subject to savings provisions, see section 603(d) of Pub. L. 109-435, set out as a note under section 8G of the Inspector General Act of 1978, Pub. L. 95-452, in the Appendix to Title 5, Government Organization and Employees.

## EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-33, title VII, §7003(c), Aug. 5, 1997, 111 Stat. 663, provided that:

“(1) IN GENERAL.—This section [amending this section and repealing section 2004 of this title] and the amendments made by this section shall take effect on the date of the enactment of this Act [Aug. 5, 1997] or October 1, 1997, whichever is later.

“(2) PROVISIONS RELATING TO PAYMENTS FOR FISCAL YEAR 1998.—

“(A) AMOUNTS NOT YET PAID.—No payment may be made to the Postal Service Fund, on or after the date of the enactment of this Act, pursuant to any appropriation for fiscal year 1998 authorized by section 2004 of title 39, United States Code (as in effect before the effective date of this section).

“(B) AMOUNTS PAID.—If any payment to the Postal Service Fund is or has been made pursuant to an appropriation for fiscal year 1998 authorized by such section 2004, then, an amount equal to the amount of such payment shall be paid from such Fund into the Treasury as miscellaneous receipts before October 1, 1998.”

## EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-239, title IV, §4004(b), Dec. 19, 1989, 103 Stat. 2135, provided that: “The amendment made by subsection (a) [amending this section] shall take effect on October 1, 1989.”

## EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-35, title XVII, §1727, Aug. 13, 1981, 95 Stat. 761, provided that: “The provisions of this subtitle [subtitle B (§§1721-1727) of title XVII of Pub. L. 97-35, amending this section and section 2401 of this title and enacting provisions set out as notes under sections 403, 2004, and 2401 of this title] (other than section 1726 and this section) shall take effect on October 1, 1981. The provisions of sections 1726 [enacting a provision set out as a note under section 403 of this title] and this section [enacting this provision] shall take effect on the date of the enactment of this Act [Aug. 13, 1981].”

## CONTRIBUTIONS BY UNITED STATES POSTAL SERVICE TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Pub. L. 100-203, title VI, §6002, Dec. 22, 1987, 101 Stat. 1330-276, provided that:

“(a) ESTABLISHMENT OF POSTAL SERVICE ESCROW FUND.—There is established as a separate account in the United States Treasury, the ‘Postal Service Escrow Fund’. Such Fund shall—

“(1) have such amounts described under subsection (b)(2) deposited no later than October 31, 1988;

“(2) not be available for expenditures of any amounts therein during the existence of such Fund; and

“(3) cease to exist on October 1, 1989, and on such date all amounts deposited in such Fund under subsection (b)(2) shall be deposited in the Postal Service Fund established under section 2003 of title 39, United States Code.

“(b) DEPOSIT OF CERTAIN SAVINGS IN CERTAIN FUNDS.—

“(1) FISCAL YEAR 1988.—From all funds available to the United States Postal Service in fiscal year 1988, the Postal Service shall deposit into the Civil Service Retirement and Disability Fund established under section 8348 of title 5, United States Code, an amount

of \$350,000,000 in fiscal year 1988, in addition to any amount deposited pursuant to subsection (h) of such section.

“(2) FISCAL YEAR 1989.—From all funds available to the United States Postal Service in fiscal year 1989, the Postal Service shall deposit into the Postal Service Escrow Fund an amount of \$465,000,000 no later than October 31, 1988.

“(c) CAPITAL LIMITATIONS FOR FISCAL YEARS 1988 AND 1989.—

“(1) The United States Postal Service may not make any commitment or obligation to expend any monies deposited in the Postal Service Fund established under section 2003 of title 39, United States Code, for the capital investment program—

“(A) in excess of \$625,000,000 in fiscal year 1988; and

“(B) in excess of \$1,995,000,000 in fiscal year 1989.

“(2) CAPITAL INVESTMENT PROGRAMS.—For the purposes of paragraph (1) the term ‘capital investment program’ shall include all investments in long-term assets and capital investment expenditures (including direct and indirect costs associated with such investments and expenditures, such as obligations through contracts).”

**[§ 2004. Repealed. Pub. L. 105–33, title VII, § 7003(a)(1), Aug. 5, 1997, 111 Stat. 663]**

Section, Pub. L. 91–375, Aug. 12, 1970, 84 Stat. 739, authorized appropriations to ensure a sound financial transition for the Postal Service.

**EFFECTIVE DATE OF REPEAL**

Repeal effective Oct. 1, 1997, with special provisions relating to payments for fiscal year 1998, see section 7003(c) of Pub. L. 105–33, set out as an Effective Date of 1997 Amendment note under section 2003 of this title.

**§ 2005. Obligations**

(a)(1) The Postal Service is authorized to borrow money and to issue and sell such obligations as it determines necessary to carry out the purposes of this title, other than any of the purposes for which the corresponding authority is available to the Postal Service under section 2011. The aggregate amount of obligations issued by the Postal Service which may be outstanding at any one time shall not exceed the maximum amount then allowable under paragraph (2) of this subsection. In any one fiscal year, the net increase in the amount of obligations outstanding issued for the purpose of capital improvements and the net increase in the amount of obligations outstanding issued for the purpose of defraying operating expenses of the Postal Service shall not exceed a combined total of \$3,000,000,000.

(2) The maximum amount allowable under this paragraph is—

(A) \$10,000,000,000 for fiscal year 1990;

(B) \$12,500,000,000 for fiscal year 1991; and

(C) \$15,000,000,000 for fiscal year 1992 and each fiscal year thereafter.

(3) For purposes of applying the respective limitations under this subsection, the aggregate amount of obligations issued by the Postal Service which are outstanding as of any one time, and the net increase in the amount of obligations outstanding issued by the Postal Service for the purpose of capital improvements or for the purpose of defraying operating expenses of the Postal Service in any fiscal year, shall be determined by aggregating the relevant obliga-

tions issued by the Postal Service under this section with the relevant obligations issued by the Postal Service under section 2011.

(b)(1) The Postal Service may pledge the assets of the Postal Service and pledge and use its revenues and receipts for the payment of the principal of or interest on obligations issued by the Postal Service under this section, for the purchase or redemption thereof, and for other purposes incidental thereto, including creation of reserve, sinking, and other funds which may be similarly pledged and used, to such extent and in such manner as it deems necessary or desirable. The Postal Service is authorized to enter into binding covenants with the holders of such obligations, and with the trustee, if any, under any agreement entered into in connection with the issuance thereof with respect to the establishment of reserve, sinking, and other funds, application and use of revenues and receipts of the Postal Service, stipulations concerning the subsequent issuance of obligations or the execution of leases or lease purchases relating to properties of the Postal Service and such other matters as the Postal Service deems necessary or desirable to enhance the marketability of such obligations.

(2) Notwithstanding any other provision of this section—

(A) the authority to pledge assets of the Postal Service under this subsection shall be available only to the extent that such assets are not related to the provision of competitive products (as determined under section 2011(h) or, for purposes of any period before accounting practices and principles under section 2011(h) have been established and applied, the best information available from the Postal Service, including the audited statements required by section 2008(e)); and

(B) any authority under this subsection relating to the pledging or other use of revenues or receipts of the Postal Service shall be available only to the extent that they are not revenues or receipts of the Competitive Products Fund.

(c) Obligations issued by the Postal Service under this section—

(1) shall be in such forms and denominations;

(2) shall be sold at such times and in such amounts;

(3) shall mature at such time or times;

(4) shall be sold at such prices;

(5) shall bear such rates of interest;

(6) may be redeemable before maturity in such manner, at such times, and at such redemption premiums;

(7) may be entitled to such relative priorities of claim on the assets of the Postal Service with respect to principal and interest payments; and

(8) shall be subject to such other terms and conditions;

as the Postal Service determines.

(d) Obligations issued by the Postal Service under this section shall—

(1) be negotiable or nonnegotiable and bearer or registered instruments, as specified therein and in any indenture or covenant relating thereto;

(2) contain a recital that they are issued under this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such obligations and of their validity;

(3) be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the Government of the United States, and the Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the obligations of the Postal Service acquired under this section;

(4) be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes; and

(5) not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, except as provided in section 2006(c) of this title.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 740; Pub. L. 101-227, §3(a), Dec. 12, 1989, 103 Stat. 1944; Pub. L. 109-435, title V, §502, Dec. 20, 2006, 120 Stat. 3233.)

#### AMENDMENTS

2006—Subsec. (a)(1). Pub. L. 109-435, §502(c)(2), substituted “obligations issued by the Postal Service which may be” for “any such obligations” in second sentence.

Pub. L. 109-435, §502(b), substituted third sentence for former third sentence which read: “In any one fiscal year the net increase in the amount of obligations outstanding issued for the purpose of capital improvements shall not exceed \$2,000,000,000, and the net increase in the amount of obligations outstanding issued for the purpose of defraying operating expenses of the Postal Service shall not exceed \$1,000,000,000.”

Pub. L. 109-435, §502(a), substituted “title, other than any of the purposes for which the corresponding authority is available to the Postal Service under section 2011” for “title” in first sentence.

Subsec. (a)(3). Pub. L. 109-435, §502(c)(1), added par. (3).

Subsec. (b). Pub. L. 109-435, §502(d), substituted “obligations issued by the Postal Service under this section,” for “such obligations,” designated existing provisions as par. (1), and added par. (2).

1989—Subsec. (a). Pub. L. 101-227 designated existing provisions as par. (1), substituted “the maximum amount then allowable under paragraph (2) of this subsection” for “\$10,000,000,000”, “\$2,000,000,000” for “\$1,500,000,000”, and “\$1,000,000,000” for “\$500,000,000” and added par. (2).

#### EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-227, §3(b), Dec. 12, 1989, 103 Stat. 1944, provided that:

“(1) Subject to the provisions of paragraph (2), the amendments made by subsection (a) [amending this section] shall take effect on October 1, 1990.

“(2) Notwithstanding any other provision of this section, the amendments made by subsection (a) shall not take effect, if no law to provide for reconciliation pursuant to section 5 of the concurrent resolution on the budget for the fiscal year 1990 is enacted before October 1, 1990.” [Omnibus Budget Reconciliation Act of 1989, Pub. L. 101-239, Dec. 19, 1989, 103 Stat. 2106, was enacted Dec. 19, 1989.]

### § 2006. Relationship between the Treasury and the Postal Service

(a) At least 15 days before selling any issue of obligations under section 2005 or 2011 of this title, the Postal Service shall advise the Secretary of the Treasury of the amount, proposed date of sale, maturities, terms and conditions, and expected maximum rates of interest of the proposed issue in appropriate detail and shall consult with him or his designee thereon. The Secretary may elect to purchase such obligations under such terms, including rates of interest, as he and the Postal Service may agree, but at a rate of yield no less than the prevailing yield on outstanding marketable Treasury securities of comparable maturity, as determined by the Secretary. If the Secretary does not purchase such obligations, the Postal Service may proceed to issue and sell them to a party or parties other than the Secretary upon notice to the Secretary and upon consultation as to the date of issuance, maximum rates of interest, and other terms and conditions.

(b) Subject to the conditions of subsection (a) of this section, the Postal Service may require the Secretary of the Treasury to purchase obligations of the Postal Service under section 2005 in such amounts as will not cause the holding by the Secretary of the Treasury resulting from such required purchases to exceed \$2,000,000,000 at any one time. This subsection shall not be construed as limiting the authority of the Secretary to purchase obligations of the Postal Service under section 2005 in excess of such amount.

(c) Notwithstanding section 2005(d)(5) or 2011(e)(4)(E) of this title, obligations issued by the Postal Service shall be obligations of the Government of the United States, and payment of principal and interest thereon shall be fully guaranteed by the Government of the United States, such guaranty being expressed on the face thereof, if and to the extent that—

(1) the Postal Service requests the Secretary of the Treasury to pledge the full faith and credit of the Government of the United States for the payment of principal and interest thereon; and

(2) the Secretary, in his discretion, determines that it would be in the public interest to do so.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 741; Pub. L. 109-435, title IV, §401(b)(4), Dec. 20, 2006, 120 Stat. 3225.)

#### AMENDMENTS

2006—Subsec. (a). Pub. L. 109-435, §401(b)(4)(A), inserted “or 2011” after “section 2005” in first sentence.

Subsec. (b). Pub. L. 109-435, §401(b)(4)(B), inserted “under section 2005” before “in such amounts” in first sentence and before “in excess of such amount.” in second sentence.

Subsec. (c). Pub. L. 109-435, §401(b)(4)(C), inserted “or 2011(e)(4)(E)” after “section 2005(d)(5)”.

### § 2007. Public debt character of the obligations of the Postal Service

For the purpose of any purchase of the obligations of the Postal Service, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any se-

curities issued under chapter 31 of title 31, as now or hereafter in force, and the purposes for which securities may be issued under chapter 31 of title 31, as now or hereafter in force, are extended to include any purchases of the obligations of the Postal Service under this chapter. The Secretary of the Treasury may, at any time, sell any of the obligations of the Postal Service acquired by him under this chapter. All redemptions, purchases, and sales by the Secretary of the obligations of the Postal Service shall be treated as public debt transactions of the United States.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 741; Pub. L. 97-452, §2(f), Jan. 12, 1983, 96 Stat. 2479.)

#### AMENDMENTS

1983—Pub. L. 97-452 substituted “chapter 31 of title 31” for “the Second Liberty Bond Act” wherever appearing.

### § 2008. Audit and expenditures

(a) The accounts and operations of the Postal Service shall be audited by the Comptroller General and reports thereon made to the Congress to the extent and at such times as he may determine.

(b) The Postal Service shall maintain an adequate internal audit of the financial transactions of the Postal Service.

(c) Subject only to the provisions of this chapter, the Postal Service is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it deems necessary, including the final settlement of all claims and litigation by or against the Postal Service.

(d) Nothing in this section shall be construed as denying to the Postal Service the power to obtain audits of the accounts of the Postal Service and reports concerning its financial condition and operations by certified public accounting firms. Such audits and reports shall be in addition to those required by this section.

(e) At least once each year beginning with the fiscal year commencing after June 30, 1971, the Postal Service shall obtain a certification from an independent, certified public accounting firm of the accuracy of any financial statements of the Postal Service used in determining and establishing postal rates.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 741.)

### § 2009. Annual budget

The Postal Service shall cause to be prepared annually a budget program which shall be submitted to the Office of Management and Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented. The budget program shall be a business-type budget, or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the Postal Service may properly carry out its activities as authorized by law. The budget program shall contain estimates of the financial

condition and operations of the Postal Service for the current and ensuing fiscal years and the actual condition and results of operation for the last completed fiscal year. Such budget program shall include a statement of financial condition, a statement of income and expense, an analysis of surplus or deficit, a statement of sources and application of funds, and such other supplementary statements and information as are necessary or desirable to make known the financial condition and operations of the Postal Service. Such statements shall include estimates of operations by major types of activities, together with estimates of administrative expenses and estimates of borrowings. The budget program shall also include separate statements of the amounts which (1) the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401, (2) the Office of Inspector General of the United States Postal Service requests to be appropriated, out of the Postal Service Fund, under section 8G(f) of the Inspector General Act of 1978, and (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title. The President shall include these amounts, with his recommendations but without revision, in the budget transmitted to Congress under section 1105 of title 31.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 742; Pub. L. 93-328, §3, June 30, 1974, 88 Stat. 288; Pub. L. 97-258, §3(l)(2), Sept. 13, 1982, 96 Stat. 1066; Pub. L. 109-435, title VI, §603(c)(1), Dec. 20, 2006, 120 Stat. 3241.)

#### REFERENCES IN TEXT

The Inspector General Act of 1978, referred to in text, is Pub. L. 95-452, Oct. 12, 1978, 92 Stat. 1101, which is set out in the Appendix to Title 5, Government Organization and Employees.

#### AMENDMENTS

2006—Pub. L. 109-435 substituted “The budget program shall also include separate statements of the amounts which (1) the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401, (2) the Office of Inspector General of the United States Postal Service requests to be appropriated, out of the Postal Service Fund, under section 8G(f) of the Inspector General Act of 1978, and (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title.” for “The budget program shall also include separate statements of the amounts which the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401 of this title.”

1982—Pub. L. 97-258 substituted “section 1105 of title 31” for “section 11 of title 31”.

1974—Pub. L. 93-328 required the budget program to include separate statements of the amounts which the Postal Service requests to be appropriated under section 2401(b) and (c) of this title and the President to include these amounts in the budget transmitted to Congress.

#### EFFECTIVE DATE OF 2006 AMENDMENT; SAVINGS PROVISIONS

Amendment by Pub. L. 109-435 applicable with respect to fiscal years beginning on or after Oct. 1, 2008, subject to savings provisions, see section 603(d) of Pub. L. 109-435, set out as a note under section 8G of the Inspector General Act of 1978, Pub. L. 95-452, in the Appendix to Title 5, Government Organization and Employees.

OPERATIONS OF INSPECTOR GENERAL AS MAJOR TYPE  
OF ACTIVITY FOR BUDGET PURPOSES

Pub. L. 104-208, div. A, title I, §101(f) [title VI, §662(a)(3)], Sept. 30, 1996, 110 Stat. 3009-314, 3009-379, provided that: “For purposes of the fifth sentence of section 2009 of title 39, United States Code, the operations of the Office of Inspector General of the United States Postal Service shall be considered a major type of activity.”

**§ 2009a. Budgetary treatment of the Postal Service Fund**

Notwithstanding any other provision of law, the receipts and disbursements of the Postal Service Fund, including disbursements for administrative expenses incurred in connection with the Fund—

(1) shall not be included in the totals of—

(A) the budget of the United States Government as submitted by the President, or

(B) the congressional budget (including allocations of budget authority and outlays provided therein);

(2) shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government; and

(3) shall be exempt from any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985, and shall not be counted for purposes of calculating the deficit under section 3(6) of the Congressional Budget and Impoundment Control Act of 1974 for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 nor counted in calculating the excess deficit for purposes of sections 251 and 252<sup>1</sup> of the Balanced Budget and Emergency Deficit Control Act of 1985, for any fiscal year.

(Added Pub. L. 101-239, title IV, §4001(a)(1), Dec. 19, 1989, 103 Stat. 2133.)

REFERENCES IN TEXT

The Balanced Budget and Emergency Deficit Control Act of 1985, referred to in par. (3), is title II of Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1038. Part C of the Act is classified generally to subchapter I (§900 et seq.) of chapter 20 of Title 2, The Congress. Sections 251 and 252 of the Act are classified to sections 901 and 902, respectively, of Title 2, and were amended generally by Pub. L. 101-508, title XIII, §13101(a), Nov. 5, 1990, 104 Stat. 1388-577, 1388-581. Section 251 of the Act was further amended generally by Pub. L. 112-25, title I, §101, Aug. 2, 2011, 125 Stat. 241. For complete classification of this Act to the Code, see Short Title note set out under section 900 of Title 2 and Tables.

Section 3(6) of the Congressional Budget and Impoundment Control Act of 1974, referred to in par. (3), is classified to section 622(6) of Title 2.

EFFECTIVE DATE

Pub. L. 101-239, title IV, §4001(c), Dec. 19, 1989, 103 Stat. 2133, provided that: “The amendments made by this section [enacting this section] shall apply with respect to budgets for fiscal years beginning after September 30, 1989.”

CONSTRUCTION

Pub. L. 101-239, title IV, §4001(b), Dec. 19, 1989, 103 Stat. 2133, provided that: “Nothing in any amendment

made by subsection (a) [enacting this section] shall be considered to diminish the oversight responsibilities or authority of the Congress under law, rule, or regulation with respect to the budget and operations of the United States Postal Service.”

**§ 2010. Restrictions on agreements**

The Postal Service shall promote modern and efficient operations and should refrain from expending any funds, engaging in any practice, or entering into any agreement or contract, other than an agreement or contract under chapter 12 of this title, which restricts the use of new equipment or devices which may reduce the cost or improve the quality of postal services, except where such restriction is necessary to insure safe and healthful employment conditions.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 742.)

**§ 2011. Provisions relating to competitive products**

(a)(1) In this subsection, the term “costs attributable” has the meaning given such term by section 3631.

(2) There is established in the Treasury of the United States a revolving fund, to be called the Postal Service Competitive Products Fund, which shall be available to the Postal Service without fiscal year limitation for the payment of—

(A) costs attributable to competitive products; and

(B) all other costs incurred by the Postal Service, to the extent allocable to competitive products.

(b) There shall be deposited in the Competitive Products Fund, subject to withdrawal by the Postal Service—

(1) revenues from competitive products;

(2) amounts received from obligations issued by Postal Service under subsection (e);

(3) interest and dividends earned on investments of the Competitive Products Fund; and

(4) any other receipts of the Postal Service (including from the sale of assets), to the extent allocable to competitive products.

(c) If the Postal Service determines that the moneys of the Competitive Products Fund are in excess of current needs, the Postal Service may request the investment of such amounts as the Postal Service determines advisable by the Secretary of the Treasury in obligations of, or obligations guaranteed by, the Government of the United States, and, with the approval of the Secretary, in such other obligations or securities as the Postal Service determines appropriate.

(d) With the approval of the Secretary of the Treasury, the Postal Service may deposit moneys of the Competitive Products Fund in any Federal Reserve bank, any depository for public funds, or in such other places and in such manner as the Postal Service and the Secretary may mutually agree.

(e)(1)(A) Subject to the limitations specified in section 2005(a), the Postal Service is authorized to borrow money and to issue and sell such obligations as the Postal Service determines necessary to provide for competitive products and deposit such amounts in the Competitive Products Fund.

<sup>1</sup> See References in Text note below.



(B) Subject to paragraph (5), any borrowings by the Postal Service under subparagraph (A) shall be supported and serviced by—

(i) the revenues and receipts from competitive products and the assets related to the provision of competitive products (as determined under subsection (h)); or

(ii) for purposes of any period before accounting practices and principles under subsection (h) have been established and applied, the best information available from the Postal Service, including the audited statements required by section 2008(e).

(2) The Postal Service may enter into binding covenants with the holders of such obligations, and with any trustee under any agreement entered into in connection with the issuance of such obligations with respect to—

(A) the establishment of reserve, sinking, and other funds;

(B) application and use of revenues and receipts of the Competitive Products Fund;

(C) stipulations concerning the subsequent issuance of obligations or the execution of leases or lease purchases relating to properties of the Postal Service; and

(D) such other matters as the Postal Service considers necessary or desirable to enhance the marketability of such obligations.

(3) Obligations issued by the Postal Service under this subsection—

(A) shall be in such forms and denominations;

(B) shall be sold at such times and in such amounts;

(C) shall mature at such time or times;

(D) shall be sold at such prices;

(E) shall bear such rates of interest;

(F) may be redeemable before maturity in such manner, at such times, and at such redemption premiums;

(G) may be entitled to such relative priorities of claim on the assets of the Postal Service with respect to principal and interest payments; and

(H) shall be subject to such other terms and conditions,

as the Postal Service determines.

(4) Obligations issued by the Postal Service under this subsection—

(A) shall be negotiable or nonnegotiable and bearer or registered instruments, as specified therein and in any indenture or covenant relating thereto;

(B) shall contain a recital that such obligations are issued under this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such obligations and of their validity;

(C) shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the Government of the United States, and the Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the obligations of the Postal Service acquired under this section;

(D) shall not be exempt either as to principal or interest from any taxation now or hereafter imposed by any State or local taxing authority; and

(E) except as provided in section 2006(c), shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, and the obligations shall so plainly state.

(5) The Postal Service shall make payments of principal, or interest, or both on obligations issued under this section out of revenues and receipts from competitive products and assets related to the provision of competitive products (as determined under subsection (h)), or for purposes of any period before accounting practices and principles under subsection (h) have been established and applied, the best information available, including the audited statements required by section 2008(e). For purposes of this subsection, the total assets of the Competitive Products Fund shall be the greater of—

(A) the assets related to the provision of competitive products as calculated under subsection (h); or

(B) the percentage of total Postal Service revenues and receipts from competitive products times the total assets of the Postal Service.

(f) The receipts and disbursements of the Competitive Products Fund shall be accorded the same budgetary treatment as is accorded to receipts and disbursements of the Postal Service Fund under section 2009a.

(g) A judgment (or settlement of a claim) against the Postal Service or the Government of the United States shall be paid out of the Competitive Products Fund to the extent that the judgment or claim arises out of activities of the Postal Service in the provision of competitive products.

(h)(1)(A) The Secretary of the Treasury, in consultation with the Postal Service and an independent, certified public accounting firm and other advisors as the Secretary considers appropriate, shall develop recommendations regarding—

(i) the accounting practices and principles that should be followed by the Postal Service with the objectives of—

(I) identifying and valuing the assets and liabilities of the Postal Service associated with providing competitive products, including the capital and operating costs incurred by the Postal Service in providing such competitive products; and

(II) subject to subsection (e)(5), preventing the subsidization of such products by market-dominant products; and

(ii) the substantive and procedural rules that should be followed in determining the assumed Federal income tax on competitive products income of the Postal Service for any year (within the meaning of section 3634).

(B) Not earlier than 6 months after the date of enactment of this section, and not later than 12 months after such date, the Secretary of the Treasury shall submit the recommendations

under subparagraph (A) to the Postal Regulatory Commission.

(2)(A) Upon receiving the recommendations of the Secretary of the Treasury under paragraph (1), the Commission shall give interested parties, including the Postal Service, users of the mails, and an officer of the Commission who shall be required to represent the interests of the general public, an opportunity to present their views on those recommendations through submission of written data, views, or arguments with or without opportunity for oral presentation, or in such other manner as the Commission considers appropriate.

(B)(i) After due consideration of the views and other information received under subparagraph (A), the Commission shall by rule—

(I) provide for the establishment and application of the accounting practices and principles which shall be followed by the Postal Service;

(II) provide for the establishment and application of the substantive and procedural rules described under paragraph (1)(A)(ii); and

(III) provide for the submission by the Postal Service to the Postal Regulatory Commission of annual and other periodic reports setting forth such information as the Commission may require.

(ii) Final rules under this subparagraph shall be issued not later than 12 months after the date on which recommendations are submitted under paragraph (1) (or by such later date on which the Commission and the Postal Service may agree). The Commission is authorized to promulgate regulations revising such rules.

(C)(i) Reports described under subparagraph (B)(i)(III) shall be submitted at such time and in such form, and shall include such information, as the Commission by rule requires.

(ii) The Commission may, on its own motion or on request of an interested party, initiate proceedings (to be conducted in accordance with such rules as the Commission shall prescribe) to improve the quality, accuracy, or completeness of Postal Service information under subparagraph (B)(i)(III) whenever it shall appear that—

(I) the quality of the information furnished in those reports has become significantly inaccurate or can be significantly improved; or

(II) such revisions are, in the judgment of the Commission, otherwise necessitated by the public interest.

(D) A copy of each report described under subparagraph (B)(i)(III) shall be submitted by the Postal Service to the Secretary of the Treasury and the Inspector General of the United States Postal Service.

(i)(1) The Postal Service shall submit an annual report to the Secretary of the Treasury concerning the operation of the Competitive Products Fund. The report shall address such matters as risk limitations, reserve balances, allocation or distribution of moneys, liquidity requirements, and measures to safeguard against losses.

(2) A copy of the most recent report submitted under paragraph (1) shall be included in the annual report submitted by the Postal Regulatory Commission under section 3652(g).

(Added Pub. L. 109-435, title IV, § 401(a)(1), Dec. 20, 2006, 120 Stat. 3221.)

#### REFERENCES IN TEXT

The date of enactment of this section, referred to in subsec. (h)(1)(B), is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

### CHAPTER 22—CONVICT LABOR

Sec.  
2201.

No postal equipment or supplies manufactured by convict labor.

#### § 2201. No postal equipment or supplies manufactured by convict labor

Except as provided in chapter 307 of title 18, the Postal Service may not make a contract for the purchase of equipment or supplies to be manufactured by convict labor.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 742.)

#### EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

### CHAPTER 24—APPROPRIATIONS AND ANNUAL REPORT

Sec.

2401. Appropriations.  
2402. Annual report.

#### § 2401. Appropriations

(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

(b)(1) As reimbursement to the Postal Service for public service costs incurred by it in providing a maximum degree of effective and regular postal service nationwide, in communities where post offices may not be deemed self-sustaining, as elsewhere, there are authorized to be appropriated to the Postal Service the following amounts:

(A) for each of the fiscal years 1972 through 1979, an amount equal to 10 percent of the sum appropriated to the former Post Office Department by Act of Congress for its use in fiscal year 1971;

(B) for fiscal year 1980, an amount equal to 9 percent of such sum for fiscal year 1971;

(C) for fiscal year 1981, \$486,000,000;

(D) for fiscal year 1982, \$250,000,000;

(E) for fiscal year 1983, \$100,000,000;

(F) for fiscal year 1984, no funds are authorized to be appropriated; and

(G) except as provided in paragraph (2) of this subsection, for each fiscal year thereafter an amount equal to 5 percent of such sum for fiscal year 1971.

(2) After fiscal year 1984, the Postal Service may reduce the percentage figure in paragraph (1)(G) of this subsection, including a reduction to 0, if the Postal Service finds that the amounts determined under such paragraph are no longer required to operate the Postal Service in accordance with the policies of this title.

(c) There are authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the dif-

ference between the revenues the Postal Service would have received if sections 3217 and 3403 through 3406 had not been enacted and the estimated revenues to be received on mail carried under such sections. In requesting an appropriation under this subsection for a fiscal year, the Postal Service shall include an amount to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume.

(d) As reimbursement to the Postal Service for losses which it incurred as a result of insufficient amounts appropriated under section 2401(c) for fiscal years 1991 through 1993, and to compensate for the additional revenues it is estimated the Postal Service would have received under the provisions of section 3626(a) (as last in effect before enactment of the Postal Accountability and Enhancement Act), for the period beginning on October 1, 1993, and ending on September 30, 1998, if the fraction specified in subclause (VI) of section 3626(a)(3)(B)(ii) (as last in effect before enactment of the Postal Accountability and Enhancement Act) were applied with respect to such period (instead of the respective fractions specified in subclauses (I) through (V) thereof), there are authorized to be appropriated to the Postal Service \$29,000,000 for each of fiscal years 1994 through 2035.

(e) The Postal Service shall present to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives and the Committees on Appropriations of the Senate and the House of Representatives, at the same time it submits its annual budget under section 2009 of this title, sufficient copies of the budget of the Postal Service for the fiscal year for which funds are requested to be appropriated, and a comprehensive statement relating to the following matters:

(1) the plans, policies, and procedures of the Postal Service designed to comply with all of the provisions of section 101 of this title;

(2) postal operations generally, including data on the speed and reliability of service provided for the various classes of mail and types of mail service, mail volume, productivity, trends in postal operations, and analyses of the impact of internal and external factors upon the Postal Service;

(3) a listing of the total expenditures and obligations incurred by the Postal Service for the most recent fiscal year for which information is available, an estimate of the total expenditures and obligations to be incurred by the Postal Service during the fiscal year for which funds are requested to be appropriated, and the means by which these estimated expenses will be financed; and

(4) such other matters as the committees may determine necessary to ensure that the Congress is fully and currently consulted and informed on postal operations, plans, and policies.

Each year, the Postal Service shall appear before the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives to submit information which any such committee considers necessary to determine the amount of

funds to be appropriated for the operation of the Postal Service, and to present testimony and respond to questions with respect to such budget and statement. Each such committee shall take such action as it considers appropriate and shall advise the Postal Service of such action.

(f) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed a failure of appropriations.

(g) The rates established under chapter 36 of this title for zone-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (b) were not appropriated.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 743; Pub. L. 94-421, § 2(a), (b), Sept. 24, 1976, 90 Stat. 1303; Pub. L. 95-593, § 11(a), Nov. 4, 1978, 92 Stat. 2538; Pub. L. 96-499, title IV, §§ 411, 414(a), Dec. 5, 1980, 94 Stat. 2607; Pub. L. 97-35, title XVII, § 1721, Aug. 13, 1981, 95 Stat. 759; Pub. L. 99-410, title II, § 201(b)(2), Aug. 28, 1986, 100 Stat. 928; Pub. L. 99-509, title VI, § 6003(b), Oct. 21, 1986, 100 Stat. 1933; Pub. L. 101-509, title II, § 1(b), Nov. 5, 1990, 104 Stat. 1398; Pub. L. 102-141, title II, Oct. 28, 1991, 105 Stat. 842; Pub. L. 103-31, § 8(h)(2), May 20, 1993, 107 Stat. 86; Pub. L. 103-123, title VII, §§ 703(a), 704(b)(1), Oct. 28, 1993, 107 Stat. 1267, 1270; Pub. L. 103-437, § 13, Nov. 2, 1994, 108 Stat. 4590; Pub. L. 109-435, title X, § 1010(c)(2), (d)(1), Dec. 20, 2006, 120 Stat. 3261.)

#### REFERENCES IN TEXT

Enactment of the Postal Accountability and Enhancement Act, referred to in subsec. (d), means the enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

Former chapter 67 of title 39, referred to in subsec. (g), means chapter 67 (§ 4551 et seq.) of former Title 39, The Postal Service, prior to the general revision and reenactment of Title 39 by Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 719.

#### AMENDMENTS

2006—Subsec. (d). Pub. L. 109-435, § 1010(c)(2), inserted “(as last in effect before enactment of the Postal Accountability and Enhancement Act)” after “section 3626(a)” and after “section 3626(a)(3)(B)(ii)”.

Subsec. (e). Pub. L. 109-435, § 1010(d)(1), substituted “Committee on Government Reform” for “Committee on Post Office and Civil Service” in introductory and concluding provisions and “Each year,” for “Not later than March 15 of each year,” in concluding provisions.

1994—Subsec. (e). Pub. L. 103-437, in introductory provisions, substituted “Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives” for “Committees on Post Office and Civil Service”, and, in concluding provisions, substituted “Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives” for “Committees on Post Office and Civil Service of the Senate and the House of Representatives”.

1993—Subsec. (c). Pub. L. 103-123, § 703(a), in first sentence substituted “if sections 3217 and 3403 through 3406 had not been enacted” for “if sections 3217, 3403-3406, 3626(a)-(h), 3626(j)-(k), and 3629 of this title, had not been enacted” and “such sections.” for “such sections and Acts.” and in second sentence struck out “(i)” after “Postal Service shall” and substituted “volume.” for “volume; and (ii) calculate the sums requested in respect of mail under former sections 4452(b) and 4452(c) of this title as though all such mail consisted of letter shaped pieces, as such pieces are defined in the then effective classification and rate schedules.”

Pub. L. 103-31 substituted “3626(a)-(h), 3626(j)-(k), and 3629 of this title” for “and 3626(a)-(h) and (j)-(k) of this title,” in first sentence.

Subsec. (d). Pub. L. 103-123, § 704(b)(1)(A), (E), added subsec. (d) and struck out former subsec. (d) which read as follows:

“(d)(1) There is authorized to be appropriated to the Postal Service for fiscal year 1976 and for the period beginning July 1, 1976, and ending September 30, 1976, the amount of \$500,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1976.

“(2) There is authorized to be appropriated to the Postal Service for fiscal year 1977 the amount of \$500,000,000 to be applied against the accumulated operating indebtedness of the Postal Service as of September 30, 1977.”

Subsec. (e). Pub. L. 103-123, § 704(b)(1)(A), (B), redesignated subsec. (g) as (e) and struck out former subsec. (e) which restricted Postal Service from effectuating any rate of postage exceeding rates in effect on Sept. 24, 1976, diminishing services below July 1, 1976, levels, closing post offices where 35 or more families regularly receive their mail and which was providing service on July 1, 1976, or closing post offices where fewer than 35 families receive their mail and which was providing service on July 1, 1976, unless 60 percent of patrons consent to such closing in writing.

Subsec. (f). Pub. L. 103-123, § 704(b)(1)(A)-(C), redesignated subsec. (h) as (f), struck out at end “The failure of the President to request the appropriation of any part of the funds authorized by this section shall not relieve the Postal Service from the responsibility to comply with the provisions of subsections (e) and (f) of this section.”, and struck out former subsec. (f) which read as follows: “During the period beginning on the date of the appropriation of the funds under subsection (d)(1) and ending on the date on which the Commission on Postal Service is required to transmit the final report required under section 7(f)(1) of the Postal Reorganization Act Amendments of 1976 to the President and each House of Congress, the Postal Service shall provide door delivery or curbside delivery to all permanent residential addresses (other than apartment building addresses) to which service is begun on or after the date of enactment of the Postal Reorganization Act Amendments of 1976.”

Subsec. (g). Pub. L. 103-123, § 704(b)(1)(B), (D), redesignated (i) as (g) and substituted “subsection (b)” for “subsections (b) and (d) of this section”. Former subsec. (g) redesignated (e).

Subsecs. (h), (i). Pub. L. 103-123, § 704(b)(1)(B), redesignated subsecs. (h) and (i) as (f) and (g), respectively.

1991—Subsec. (c). Pub. L. 102-141 amended last sentence generally. Prior to amendment, last sentence read as follows: “In requesting an appropriation under this subsection for a fiscal year, the Postal Service shall include an amount to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume with sums which would have been authorized to be appropriated if based on the final audited mail volume.”

1990—Subsec. (c). Pub. L. 101-509 substituted “3626(a)-(h) and (j)-(k)” for “3626(a)-(h)”.

1986—Subsec. (c). Pub. L. 99-509 substituted “3626(a)-(h)” for “3626”.

Pub. L. 99-410 substituted “3406” for “3405” and struck out “the Overseas Citizens Voting Rights Act of 1975, and the Federal Voting Assistance Act of 1955” after “3626 of this title.”.

1981—Subsec. (b)(1). Pub. L. 97-35 substituted “\$250,000,000” for “an amount equal to 7 percent of such sum for fiscal year 1971” in subpar. (D), substituted “\$100,000,000” for “an amount equal to 6 percent of such sum for fiscal year 1971” in subpar. (E), and substituted “no funds are authorized to be appropriated” for “an amount equal to 5 percent of such sum for fiscal year 1971” in subpar. (F).

1980—Subsec. (b)(1)(C). Pub. L. 96-499, § 411, substituted “\$486,000,000” for “an amount equal to 8 percent of such sum for fiscal year 1971”.

Subsec. (c). Pub. L. 96-499, § 414(a), inserted provision requiring Postal Service when requesting an appropriation under subsec. (c) to reconcile sums authorized to be appropriated for prior fiscal years on the basis of estimated mail volume with sums which would have been authorized if based on the final audited mail volume.

1978—Subsec. (c). Pub. L. 95-593 inserted provisions relating to applicability of Overseas Citizens Voting Rights Act of 1975.

1976—Subsec. (b)(3). Pub. L. 94-421, § 2(a), struck out par. (3) which required Postal Service, when requesting appropriations, to present to the appropriate committees in Congress, a statement of its compliance with the cost policy established under section 101(b) of this title.

Subsecs. (d) to (i). Pub. L. 94-421, § 2(b), added subsecs. (d) to (i).

#### CHANGE OF NAME

Committee on Governmental Affairs of Senate changed to Committee on Homeland Security and Governmental Affairs of Senate, effective Jan. 4, 2005, by Senate Resolution No. 445, One Hundred Eighth Congress, Oct. 9, 2004.

#### EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-123, title VII, § 703(b), Oct. 28, 1993, 107 Stat. 1267, provided that: “The amendments made by subsection (a) [amending this section] shall apply with respect to appropriations for fiscal years beginning after September 30, 1993.”

Pub. L. 103-123, title VII, § 704(c)(2), Oct. 28, 1993, 107 Stat. 1271, provided that: “The amendments made by subsection (b) [amending this section] shall apply with respect to appropriations for fiscal years beginning after September 30, 1993.”

Amendment by Pub. L. 103-31 effective (1) with respect to a State that, on May 20, 1993, has a provision in the constitution of the State that would preclude compliance with section 20501 et seq. of Title 52, Voting and Elections, unless the State maintained separate Federal and State official lists of eligible voters, on the later of Jan. 1, 1996, or the date that is 120 days after the date by which, under the constitution of the State as in effect on May 20, 1993, it would be legally possible to adopt and place into effect any amendments to the constitution of the State that are necessary to permit compliance with section 20501 et seq. of Title 52 without requiring a special election, and (2) with respect to a State not described in cl. (1) on Jan. 1, 1995, see section 13 of Pub. L. 103-31, set out as an Effective Date note under section 20501 of Title 52.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-509, title II, § 1(c), Nov. 5, 1990, 104 Stat. 1398, provided that: “The amendment enacted by this section [amending this section and section 3626 of this title] shall become effective ninety days after the date of enactment of this Act [Nov. 5, 1990].”

#### EFFECTIVE DATE OF 1986 AMENDMENTS

Amendment by Pub. L. 99-509 effective Jan. 1, 1989, or effective date of next general change in rates and fees under sections 3622 and 3625 of this title [Apr. 3, 1988], whichever is sooner, see section 6003(c) of Pub. L. 99-509 set out as a note under section 3626 of this title.

Amendment by Pub. L. 99-410 applicable with respect to elections taking place after Dec. 31, 1987, see section 204 of Pub. L. 99-410, set out as an Effective Date note under section 20301 of Title 52, Voting and Elections.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 1727 of Pub. L. 97-35, set out as a note under section 2003 of this title.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-499, title IV, § 415, Dec. 5, 1980, 94 Stat. 2608, provided that: “The provisions of this subtitle, includ-

ing the amendments made by this subtitle [subtitle B (§§411-415) of title IV of Pub. L. 96-499, amending this section and enacting provisions set out as a note under section 403 of this title], shall take effect on the date of the enactment of this Act [Dec. 5, 1980].”

#### EFFECTIVE DATE

Subsec. (a) of this section effective July 1, 1971, pursuant to Resolution No. 71-9, of the Board of Governors, and subsecs. (b) and (c) effective Jan. 20, 1971, pursuant to Resolution No. 71-10 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

#### TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which the last item on page 194 identifies a reporting provision which, as subsequently amended, is contained in subsec. (e) of this section), see section 3003 of Pub. L. 104-66, as amended, and section 1(a)(4) [div. A, §1402(1)] of Pub. L. 106-554, set out as notes under section 1113 of Title 31, Money and Finance.

#### REDUCTION OF AUTHORIZATION FOR REVENUE FOREGONE

Pub. L. 99-272, title XV, §15101, Apr. 7, 1986, 100 Stat. 330, provided that: “Notwithstanding subsection (c) of section 2401 of title 39, United States Code, the amount authorized to be appropriated pursuant to such subsection for fiscal year 1986 shall be \$749,000,000.”

Section 1723 of Pub. L. 97-35, as amended effective Oct. 1, 1982, by Pub. L. 97-216, title I, §101, July 18, 1982, 96 Stat. 189, provided that: “Notwithstanding section 2401(c) of title 39, United States Code, the amount authorized to be appropriated under such section shall not exceed—

- “(1) \$696,000,000 for fiscal year 1982;
- “(2) \$708,000,000 for fiscal year 1983; or
- “(3) \$760,000,000 for fiscal year 1984.”

### § 2402. Annual report

The Postmaster General shall render an annual report to the Board concerning the operations of the Postal Service under this title. Upon approval thereof, or after making such changes as it considers appropriate, the Board shall transmit such reports to the President and the Congress.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 743.)

#### EFFECTIVE DATE

Section effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

#### TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in this section relating to the requirement that the Board transmit annual reports to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 195 of House Document No. 103-7.

## CHAPTER 26—DEBTS AND COLLECTION

Sec.	
2601.	Collection and adjustment of debts.
2602.	Transportation of international mail by air carriers of the United States.
2603.	Settlement of claims for damages caused by the Postal Service.
2604.	Delivery of stolen money to owner.
2605.	Suits to recover wrongful or fraudulent payments.

### § 2601. Collection and adjustment of debts

(a) The Postal Service—

- (1) shall collect debts due the Postal Service;
- (2) shall collect and remit fines, penalties, and forfeitures arising out of matters affecting the Postal Service;
- (3) may adjust, pay, or credit the account of a postmaster or of an enlisted person of an Armed Force performing postal duties, for any loss of Postal Service funds, papers, postage, or other stamped stock or accountable paper; and
- (4) may prescribe penalties for failure to render accounts.

The Postal Service may refer any matter, which is uncollectable through administrative action, to the Government Accountability Office for collection. This subsection does not affect the authority of the Attorney General in cases in which judicial proceedings are instituted.

(b) In all cases of disability or alleged liability for any sum of money by way of damages or otherwise, under any provision of law in relation to the officers, employees, operations, or business of the Postal Service, the Postal Service shall determine whether the interests of the Postal Service probably require the exercise of its powers over the same. Upon the determination, the Postal Service on such terms as it deems just and expedient, may—

- (1) remove the disability; or
- (2) compromise, release, or discharge the claim for such sum of money and damages.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 744; Pub. L. 108-271, §8(b), July 7, 2004, 118 Stat. 814.)

#### AMENDMENTS

2004—Subsec. (a). Pub. L. 108-271 substituted “Government Accountability Office” for “General Accounting Office” in concluding provisions.

#### EFFECTIVE DATE

Chapter effective July 1, 1971, pursuant to Resolution No. 71-9 of the Board of Governors. See section 15(a) of Pub. L. 91-375, set out as a note preceding section 101 of this title.

### § 2602. Transportation of international mail by air carriers of the United States

(a) The Postal Service may offset against any balances due another country resulting from the transaction of international money order business, or otherwise, amounts due from that country to the United States, or to the United States for the account of air carriers of the United States transporting mail of that country, when—

- (1) the Postal Service puts into effect rates of compensation to be charged another country for transportation; and
- (2) the United States is required to collect from another country the amounts owed for transportation for the account of the air carriers.

(b) When the Postal Service has proceeded under authority of subsection (a) of this section, it shall—

- (1) give appropriate credit to the country involved;
- (2) pay to the air carrier the portion of the amount so credited which is owed to the air

carrier for its services in transporting the mail of the other country; and

(3) deposit in the Postal Service Fund that portion of the amount so credited which is due the United States on its own account.

(c) The Postal Service may advance to an air carrier, out of funds available for payment of balances due other countries, the amounts determined by the Postal Service to be due from another country to an air carrier for the transportation of its mails when—

(1) collections are to be made by the United States for the account of air carriers; and

(2) the Postal Service determines that the balance of funds available is such that the advances may be made therefrom.

Collection from another country of the amount so advanced shall be made by offset, or otherwise, and the appropriation from which the advance is made shall be reimbursed by the collections made by the United States.

(d) If the United States is unable to collect from the debtor country an amount paid or advanced to an air carrier within 12 months after payment or advance has been made, the United States may deduct the uncollected amount from any sums owed by it to the air carrier.

(e) The Postal Service shall adopt such accounting procedures as may be necessary to conform to and carry out the purposes of this section.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 744.)

#### **§ 2603. Settlement of claims for damages caused by the Postal Service**

When the Postal Service finds a claim for damage to persons or property resulting from the operation of the Postal Service to be a proper charge against the United States, and it is not cognizable under section 2672 of title 28, it may adjust and settle the claim.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 745.)

#### **CHARGE AGAINST POSTAL REVENUES FOR SETTLEMENT OF CLAIMS FOR DAMAGES AND FOR LOSSES RESULTING FROM UNAVOIDABLE CASUALTY**

Pub. L. 89-57, title II, § 201, June 30, 1965, 79 Stat. 200, provided in part: "That hereafter settlement of claims, pursuant to law, current and prior fiscal years, for damages, and for losses resulting from unavoidable casualty shall be paid from postal revenues."

#### **§ 2604. Delivery of stolen money to owner**

When the Postal Service is satisfied that money or property in the possession of the Postal Service represents money or property stolen from the mails, or the proceeds thereof, it may deliver it to the person it finds to be the rightful owner.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 745.)

#### **§ 2605. Suits to recover wrongful or fraudulent payments**

The Postal Service shall request the Attorney General to bring a suit to recover with interest any payment made from moneys of, or credit granted by, the Postal Service as a result of—

- (1) mistake;
- (2) fraudulent representations;

(3) collusion; or

(4) misconduct of an officer or employee of the Postal Service.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 745.)

### **CHAPTER 28—STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT**

Sec.

2801. Definitions.

2802. Strategic plans.

2803. Performance plans.

2804. Program performance reports.

2805. Inherently Governmental functions.

#### **§ 2801. Definitions**

For purposes of this chapter the term—

(1) "outcome measure" refers to an assessment of the results of a program activity compared to its intended purpose;

(2) "output measure" refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

(3) "performance goal" means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

(4) "performance indicator" refers to a particular value or characteristic used to measure output or outcome;

(5) "program activity" means a specific activity related to the mission of the Postal Service; and

(6) "program evaluation" means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

(Added Pub. L. 103-62, § 7, Aug. 3, 1993, 107 Stat. 292.)

#### **CONSTRUCTION**

No provision or amendment made by Pub. L. 103-62 to be construed as creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person not an officer or employee of the United States acting in such capacity to have standing to file any civil action in any court of the United States to enforce any provision or amendment made by Pub. L. 103-62, or to be construed as superseding any statutory requirement, see section 10 of Pub. L. 103-62, set out as a Construction of 1993 Amendment note under section 1101 of Title 31, Money and Finance.

#### **§ 2802. Strategic plans**

(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service;

(3) a description of how the goals and objectives are to be achieved, including a descrip-

tion of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

(Added Pub. L. 103-62, § 7, Aug. 3, 1993, 107 Stat. 292.)

#### STRATEGIC PLANNING

Pub. L. 104-208, div. A, title I, §101(f) [title VI, §662(d)], Sept. 30, 1996, 110 Stat. 3009-314, 3009-381, provided that:

“(1) OFFICE OF INSPECTOR GENERAL OF THE UNITED STATES POSTAL SERVICE.—

“(A) IN GENERAL.—Strategic plans shall be prepared under this paragraph addressing staffing requirements, general goals and objectives for major functions and operations of the Office of Inspector General of the United States Postal Service, and how goals and objectives of the Office are to be achieved, including a description of operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives.

“(B) SPECIFIC REQUIREMENTS.—Plans under this paragraph—

“(i) shall be prepared by the Inspector General of the United States Postal Service;

“(ii) shall each cover a 5-year period (the beginning and ending dates of which shall be specified in each such plan); and

“(iii) shall be included, as part of the annual budget required under section 2009 of title 39, United States Code, at least every 3 years.

“(C) FIRST SUBMISSION.—The first plan under this paragraph shall be prepared in time to be included with the annual budget under section 2009 of title 39, United States Code, next due to be submitted after the end of the 6-month period beginning on the date of the appointment of the first Inspector General to be appointed pursuant to the amendments made by this section [amending sections 102, 202, 204, 410, and 1003 of this title, section 5315 of Title 5, Government Organization and Employees, and section 8G of the Inspector General Act of 1978, Pub. L. 95-452, set out in the Appendix to Title 5, and renumbering another section 8G of the Inspector General Act of 1978 as 8H].

“(2) POSTAL INSPECTION SERVICE.—The Chief Postal Inspector shall, with respect to the Postal Inspection Service, prepare a strategic plan similar in content to that required under paragraph (1)(A) with respect to the Office of Inspector General of the United States Postal Service. Such plan shall be prepared in time to be included with the annual budget under section 2009 of such title 39 next due to be submitted after the end of the 30-day period beginning on the date of the enactment of this Act [Sept. 30, 1996].”

#### § 2803. Performance plans

(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(e) of this title. Such plan shall—

(1) establish performance goals to define the level of performance to be achieved by a program activity;

(2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);

(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

(5) provide a basis for comparing actual program results with the established performance goals; and

(6) describe the means to be used to verify and validate measured values.

(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Postal Service may use an alternative form. Such alternative form shall—

(1) include separate descriptive statements of—

(A) a minimally effective program, and

(B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation.

(d) The Postal Service may prepare a non-public annex to its plan covering program activities or parts of program activities relating to—

(1) the avoidance of interference with criminal prosecution; or

(2) matters otherwise exempt from public disclosure under section 410(c) of this title.

(Added Pub. L. 103-62, § 7, Aug. 3, 1993, 107 Stat. 293; amended Pub. L. 109-435, title X, §1010(d)(2), Dec. 20, 2006, 120 Stat. 3261.)

## AMENDMENTS

2006—Subsec. (a). Pub. L. 109-435 substituted “section 2401(e)” for “section 2401(g)” in introductory provisions.

**§ 2804. Program performance reports**

(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(e) of this title.

(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

(d) Each report shall—

(1) review the success of achieving the performance goals of the fiscal year;

(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))—

(A) why the goal was not met;

(B) those plans and schedules for achieving the established performance goal; and

(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

(Added Pub. L. 103-62, § 7, Aug. 3, 1993, 107 Stat. 294; amended Pub. L. 109-435, title X, § 1010(d)(2), Dec. 20, 2006, 120 Stat. 3261.)

## AMENDMENTS

2006—Subsec. (a). Pub. L. 109-435 substituted “section 2401(e)” for “section 2401(g)”.

**§ 2805. Inherently Governmental functions**

The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service.

(Added Pub. L. 103-62, § 7, Aug. 3, 1993, 107 Stat. 294.)

**PART IV—MAIL MATTER**

Chap.		Sec.
<b>30.</b>	<b>Nonmailable Matter .....</b>	<b>3001</b>
<b>32.</b>	<b>Penalty and Franked Mail .....</b>	<b>3201</b>
<b>34.</b>	<b>Armed Forces and Free Postage ....</b>	<b>3401</b>
<b>36.</b>	<b>Postal Rates, Classes, and Services .....</b>	<b>3601</b>

**CHAPTER 30—NONMAILABLE MATTER**

Sec.	
3001.	Nonmailable matter.
3002.	Nonmailable motor vehicle master keys.
3002a.	Nonmailability of locksmithing devices.
3003.	Mail bearing a fictitious name or address.
3004.	Delivery of mail to persons not residents of the place of address.
3005.	False representations; lotteries.
[3006.]	Repealed.]
3007.	Detention of mail for temporary periods.
3008.	Prohibition of pandering advertisements.
3009.	Mailing of unordered merchandise.
3010.	Mailing of sexually oriented advertisements.
3011.	Judicial enforcement.
3012.	Civil penalties.
3013.	Semiannual reports on investigative activities of the Postal Service.
3014.	Nonmailable plants.
3015.	Nonmailable plant pests and injurious animals.
3016.	Administrative subpoenas.
3017.	Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings.
3018.	Hazardous material.

## AMENDMENTS

2006—Pub. L. 109-435, title X, § 1008(c)(2), Dec. 20, 2006, 120 Stat. 3260, added item 3018.

1999—Pub. L. 106-168, title I, §§ 105(b)(1), 107(d), 108(b), Dec. 12, 1999, 113 Stat. 1811, 1814, 1816, repealed item 3006 “Unlawful matter” and added items 3016 and 3017.

1992—Pub. L. 102-393, title VI, § 631(d)(2), Oct. 6, 1992, 106 Stat. 1776, added item 3015.

1988—Pub. L. 100-690, title VII, § 7090(b), Nov. 18, 1988, 102 Stat. 4410, added item 3002a.

Pub. L. 100-574, § 1(a)(2), Oct. 31, 1988, 102 Stat. 2893, added item 3014.

1983—Pub. L. 98-186, § 3(c), Nov. 30, 1983, 97 Stat. 1317, added items 3012 and 3013.

**§ 3001. Nonmailable matter**

(a) Matter the deposit of which in the mails is punishable under section 1302, 1341, 1342, 1461, 1463, 1715, 1716, 1717, or 1738<sup>1</sup> of title 18, or section 26 of the Animal Welfare Act is nonmailable.

(b) Except as provided in subsection (c) of this section, nonmailable matter which reaches the office of delivery, or which may be seized or detained for violation of law, shall be disposed of as the Postal Service shall direct.

(c)(1) Matter which—

(A) exceeds the size and weight limits prescribed for the particular class of mail; or

(B) is of a character perishable within the period required for transportation and delivery;

is nonmailable.

(2) Matter made nonmailable by this subsection which reaches the office of destination may be delivered in accordance with its address, if the party addressed furnishes the name and address of the sender.

<sup>1</sup> See References in Text note below.